GROWING YOUR BUSINESS

A Guide to Resources for BC Women

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Growing Your Business

If you are reading this guide, chances are you are one of the thousands of BC women who have started their own businesses. While there are myriad reasons for becoming self-employed, and many different ways to do it, most women agree that running your own business can be a life-changing experience.

You may have settled into being a business owner. What happens next? Perhaps your business is already growing, and you want to guide that growth in ways that you can handle. Maybe you've seen new areas you can move into and want to plan for change strategically. Or you're busy and run off your feet and need help before you can even think about going forward.

Moving your business from start-up into a growing entity is a whole new adventure; one that can be both exhilarating and downright scary. What is the clearest path? Will it take you in the right direction? How do you conserve your energy and maximize the value of your time along the way?

You *can* grow!

Five steps to growing your business:

1. Defining Growth
2. Preparing for Growth
3. Creating Growth
4. Managing Growth
5. Setting Boundaries for Growth

About this guide

This guide will explain some of the major considerations in growing your business. It will provide some tools to help you decide what growth means to you, how to ready yourself for change, and how to become a strategist – to think about where you really want your business to grow and how to get there. It will give you key pointers on subjects that women who have expanded their businesses have identified as critical to their growth. Along the way, you will meet inspirational BC women who share their own personal experiences.

At the end of each section, you'll find sources for more information. Key resources are summarized at the end of the guide. These resources have been selected for women running and growing a business in BC and provide valuable information. But the list is far from exhaustive – there are literally hundreds of other sources to check out, so use the Internet and visit your local library or bookstore to track down more information.

Keep this guide on your desk, bookmark your favourite resources and revisit the personal stories as a reminder that "Yes, you *can* grow!"

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Deciding to Grow

Connie Marples
Vintropolis
Wine Bar and Bistro

"Many people will give you their ideas of how things should be and it's good to listen...but no one has the same vision as you.

You have to keep revisiting where you want to go and how you want to get there."

Connie Marples did her research. Before opening her first wine bar in Kelowna in 2002, Connie looked into the global trend toward selling wine by the glass in up-scale restaurants that are as much or more about wine as they are about food. She found opportunities in Canada ripe for the picking.

"Considering the rapidly growing interest in wine and the increasing consumption nationally, I felt the wine bar concept was a good one to explore. It was always my intention to open numerous locations if the formula was successful."

Located in the midst of BC's wine country and popular with tourists, Kelowna proved a fertile testing ground for her new business.

"Over the first year of business, I worked on the floor, talking with each guest. I consistently heard comments like 'I wish there was something like this in Calgary.' or ... 'are you part of a chain?' People seemed to 'get it,' that this really was something unique and could easily translate to other markets."

Connie expanded to Vancouver in 2004 and opened the Vintropolis Wine Bar and Bistro in Kitsilano. She has sold the Kelowna location and has expansion plans, first for downtown Vancouver, then in selected neighbourhoods in the Lower Mainland.

Vintropolis has developed a loyal following of foodies, the wine curious and wine aficionados who visit the bistro and shop at the attached wine store. What comes next? "I want to establish us as the leader in this genre," says Connie. "Once the infrastructure is in place, the systems strong, and the branding is working, then there realistically could be locations in major cities across Canada and possibly into the Western US."

In start up, it's natural to concentrate on running your business day to day. As activities, options and opportunities pop up in front of you and demand attention, sometimes the business ends up running you. In the early stages you may also intentionally choose to try out products and services with an eye to eventual expansion.

In either case, it can pay dividends to think about how to grow your business. There are many ways to expand. Where do you start?

The best place to start is with YOU. What do you want for yourself?

Why do you want to grow?

It's easier to get where you want to go by "keeping your eye on the ball." For that, revisit your motivators for becoming self-employed. These questions may help:

- What do you want the business to provide for you?
- What do you want more of?
- What are you willing to compromise?

As you explore and develop your plans for growth, your motivators will serve as a foundation. What does each one look like to you? What are your priorities?

What do you want the business to look like?

The more clearly you can envision an outcome, the more likely you are to achieve it. Consider these questions:

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- Given what you want for yourself, what's your vision for your business?
- What must you be, have or do to consider your business successful?
- What is realistic?

What is your ultimate goal?

Begin with the end in mind. How you will grow the business not only depends upon what you want from it now, but also upon what you want from it in the long run. How will you exit from your business down the road? Consider these options:

Selling: You can sell the entire business or your share of a partnership. If you are in a partnership, it makes sense for both partners to know each other's goals. Even if you provide services to others, your customer base and the "good will" that you have built up for your business over the years can be a saleable asset.

Allowing others to take over: You can plan to pass on your business to family members who are involved, or allow an employee buy-out. There are different ways to structure take-overs so that the business and jobs you've created will survive.

Acquisition or merger: A larger company may want to acquire your share of the market, products or expertise. A company with complementary business may want to merge and form a new entity.

Issuing shares: You could plan to go public and trade shares in your company on the stock market. This allows you to raise money by selling some of your business without entirely giving up control.

Going out of business: In some cases, this might be the easiest solution, even if it offers you no financial gains. It's almost never the preferred option, though, and can sometimes happen by default because you did not plan an exit strategy.

Having an exit strategy allows you to:

- **Separate yourself from the business.** If you can see the business as a separate entity, you may be able to look at it with a more critical eye.
- **Plan for your business to provide both current income and future security.** If you are looking for retirement income (or just a way to be reimbursed for all those hours that you worked for almost nothing), plan for it now.
- **Develop your business growth in ways that meet your goals.** For example, if you want your business to be purchased, the strategies you take will be developed with that end in mind. Investors or potential purchasers will want to know that the business can function profitably without you.

What are your motivators?

- Interest, passion, creativity
- Control, power, independence
- Lifestyle, life balance
- Income
- Recognition
- Challenge, personal growth
- Freedom, flexibility

Resources

WEBSITES

- Women's Enterprise Centre Resource Library *www.womensenterprise.ca*, 1-800-643-7014
- The Ministry of Small Business and Revenue's website has resources for small businesses, tax information and one-stop business registration. *www.gov.bc.ca/sbr*
- Small Business Check-Up on the Small Business BC site *www.smallbusinesscheckup.com/default.html*

RECOMMENDED READING

- The Kaufmann Foundation's *www.entreworld.org* has a variety of articles on exit strategy development. From the main page, follow the link to the "Growing Your Business" section.
- "The 7 Habits of Highly Effective People," Stephen R. Covey. Fireside, 1989
- "What's Your Exit Strategy? – 7 Ways to Maximize the Value of the Business You've Built," Peter Engel. Prima Lifestyles, 1999
- "Big Vision, Small Business" Four Keys to Success Without Growing Big," Jamie S. Walters. Koehler Publishers, 2002
- "Growing a Business," Paul Hawken. Simon & Schuster, 1998

Gearing Up

Heather White & Lori Kliman

Cupcakes by Heather & Lori

"Just cupcakes?" Heather White and Lori Kliman heard the question repeatedly when they were planning their retail bakery business. "Are you crazy?" Turns out they weren't. Cupcakes by Heather & Lori is a popular bakery in the heart of Vancouver's West End, selling whimsical cupcakes and cakes with old-fashioned appeal. Their focus on "just cupcakes" has given them strong brand awareness in their chosen market, including retail, corporate, wholesale and special events/weddings.

In the beginning, Heather and Lori were their own best support team. When even their friends questioned their sanity, they had each other for reassurance. "What everyone did not realize was that these comments would just drive us harder. This is how we created our first goal: to prove to everyone that our idea was going to work and to celebrate with a gigantic first year birthday!"

Heather and Lori had another minor source of uncertainty – neither woman had any experience of any kind in the food industry. They decided that if they focused on their own strengths, which lie in marketing and the creative side of the business, they could hire "the best staff for the right job."

Their determination paid out. Over the past three years, Cupcakes has grown 25 to 30 per cent each year and has "maxed out" its current location. Heather and Lori now have plans to expand in the local Vancouver market.

How did they manage this? "We kept our vision and didn't get side-tracked." says Lori. "Heather and I both have a tremendous amount of passion and drive and these two qualities can get you through anything." Also, "we managed never to bake!"

Lori Kliman on self-doubt and fear:

"How do we manage it? We don't. We face every challenge and situation that is presented to us. We embrace it, take action and look forward to the results.

Sometimes we make mistakes, sometimes we don't. But every time we discover, we learn and we grow."

While your business can provide for you, it can also ask a lot of you. As your business grows, you will be asked to "step up to the plate" in a number of ways, and to assess and manage new situations that you may not have experienced before. How can you save your energy for the activities that really matter? Find ways to work smarter? Stay motivated?

On your marks, get set...

At the start of a race, you see a line-up of athletes on the field, preparing to run. Of course, those athletes are not alone. Each one has a coach on the sidelines, a massage therapist waiting in the wings, family and friends in the stands and at home. Those support people help the athlete stay on track, stretch beyond what she thought she could do and defeat negative self-talk that might trip her up as she attempts a new challenge.

Can your business win, if you choose to grow it alone?

Doubt, uncertainty and fear are a natural part of moving into totally new territory. All are forms of resistance.

On the positive side, these reactions can alert you to identify gaps, gather more information, learn something, or slow down and take smaller steps. On the negative side, they can easily rob you of both confidence and productivity if you choose not to face them head on.

One of the best ways to manage both fear and uncertainty is to surround yourself with people who can help you identify and deal with the challenges ahead of you as you prepare to grow. Don't try to gear up without support.

Create your own cheerleading team

If you are like most women, you want to be in business FOR yourself, but not BY yourself. Building a business can be lonely work. A strong circle of support allows you to tap into the wisdom of others. Friends and advisors will be your most valuable assets, providing encouragement, feedback, contacts and advice. Your circle of support might include:

Business buddy: Someone who is in a similar stage of growth as you.

Mentor: Someone more experienced, often in the same type of business, who can share his or her perspective and lessons learned. Mini-mentors – people who can help you answer specific questions – are everywhere and happy to help.

Peer coaching team: A small group of women in business who meet regularly to share problems and solutions, ideas, motivation and support.

Advisory board: An informal group of a few trusted people who've agreed to let you turn to them for advice.

Business counsellor or coach: A professional who can help you focus, examine your priorities, make decisions and stay motivated.

On-line community: A virtual network that provides resources, advice and support groups.

Board of directors: Required for an incorporated company, a formal board of directors can provide exceptional leadership and excellent connections.

Don't be afraid to ask for help. Many people are willing to offer assistance if you:

- are professional, and realistic about what you want
- use your time with them wisely
- listen to their input
- show that you appreciate their thoughtfulness

Resources

ONE-ON-ONE SUPPORT

- The Womens Enterprise Centre offers free business guidance over the phone and from their offices. Call 1-800-643-7014 for more information.
- International Coaches Federation allows you to find coaches based on their area of expertise. *www.icf.com*

MENTORING PROGRAMS AND GROUPS

- Check the Women's Enterprise Centre Mentoring and Networking. *www.womensenterprise.ca*
- The Young Entrepreneurs Association offers peer mentoring groups *www.yea.ca*
- The Forum for Women Entrepreneurs offers a mentoring program for women in hi-growth businesses. *www.fwe.ca*
- Canadian Youth Business Foundation mentoring programs and training *www.cybf.ca and www.onlinementoring.ca*
- "Step Ahead" Women Business Owners Mentoring for Success" *www.stepaheadonline.com*

ON-LINE COMMUNITIES

- Canadian Entrepreneurial Women, a discussion group for Canadian women in Business has 400 members. *www.finance.groups.yahoo.com/group/CEW*

RECOMMENDED READING

- "Leaders Circles: How to Create Your Personal Board of Directors," Maureen F. Fitzgerald. Available Fall 2005 at *www.maureenfitzgerald.com*.
- "Embracing Uncertainty: Breakthrough Methods for Achieving Peace of Mind While Facing the Unknown." Susan Jeffers, Ph.D. St. Martin's Press, 2003.
- "Feel the Fear and Do It Anyway." Susan Jeffers, Ph.D. Ballantyne Books, 1987.
- "The Success Principles: How to Get from Where You are to Where You Want To Be." Jack Canfield. HarperCollins, 2005.
- "Transitions," Julia Cameron. Tarcher, 1999.

Transforming from Do-er to Manager to Strategist

Deanna Hayko
Solofusion
Interior and
Graphic Design

"Sometimes the best gift your business can get is to NOT be busy – I mean it!

Don't be scared of downtime – use it. This is the time to re-evaluate just about everything – from your business branding to who you order your supplies from. Ask yourself if it's really working, and if it's not, change it – because you have the time to do it."

Solofusion was growing, and Deanna Hayko could no longer wear all the hats.

"I was in the office until 11 o'clock at night trying to do my own invoicing, market the company, sit on a board, manage projects and staff, and act as senior and principal designer. On top of that, I was travelling to support out-of-province projects."

Like many women entrepreneurs, Deanna was spending almost all her time "doing" and took pride in staying on top of everything herself. But with her growing interior design business this was no longer possible. She needed help. How was she going to let go of "her" tasks and still keep the business moving forward?

One challenge was to accept that she needed help. Another was to acknowledge that it was okay to be afraid of changing the way she was doing things. And having done this, Deanna was able to look ahead more clearly. A meeting with a business counsellor/advisor opened her eyes further - not only was she doing far too much, she was undervaluing herself and her time.

Deanna considered what she needed to expand her business successfully. She knew she needed to hire more staff, and even more designers to help things run smoothly. She also knew she would need more revenue to pay additional staff, and bigger jobs to generate that revenue and support the growth that she was now able to envision.

"What I really needed, and what I ended up doing, was hiring an assistant for myself to alleviate my workload. This gave me room and time to transform from do-er to manager to strategist. For the first time, I was able to come up for air and see my business's potential from a new perspective."

Deanna ended up discarding a few hats. The ones she kept fit her well and suit her role as her company's strategist. Now she is outfitted to direct Solofusion's growing success.

You may feel that your business can't grow because you can't squeeze any more time out of the day. So what happens if you want or need to increase your business earnings, or if the demand for your product or services is increasing and you can't see how to meet it?

Chances are that you can expand, provided you transform your own role within the business to spend less time working and more time envisioning where you will go and organizing how you will get there.

For a business of any size to succeed, three types of people need to be involved:

Strategists, who come up with ideas, look ahead, dream big and inspire others.

Managers, who take those ideas and strategies and determine what's needed to carry them out.

Do-ers, who are the skilled workers who actually create the business's products and services, whether physical or knowledge-based.

Most people who start a business take on all roles themselves. After the initial vision and organization period, however, they spend most of their time being the do-er, creating the real products and services that inspired them to start a business in the first place. This can be true whether you manufacture children's raincoats or tune pianos or provide counselling services over the phone.

You only have so many hours to give to your business each day. If you are going to grow, you will need to transform your role from do-er to manager to strategist. No matter what your operating format, your business will not grow until you take on greater managerial and strategic roles.

Even if you are a soloist, growing your business ultimately means the same thing: to accomplish greater things you need to use your energy in the role that will profit you most.

In the average small business, the owner spends at least 75 per cent of her time as a do-er, often leading to long-term burn-out and business closure.

How can you minimize "doing" to spend more time growing your business?

How do you shift mindsets?

Think of your exit strategy. If your plan is to create an entity that has value or can be taken over by someone else, then the business will need to function without you. When you decide that you are moving from doing to managing, you will need systems, processes, templates, an operations manual – tools for running the business that will allow others to work for you so you don't have to turn back. You may have to train, supervise and trust others to become do-ers on your behalf.

Figure out the value of your time on an hourly basis. Which activities are you doing right now that are below that rate? Which activities represent the best use of your time given the value you place on it? Which activities could you hire someone to do?

Set aside time to strategize and time to manage. When you are setting up your schedule for the week, block off your strategy time first and protect it from any interruptions.

Manage the moment. Quite simply, as you go through your daily activities, stop and ask yourself: "Based on my ultimate vision of what I want, is this what I want or need to be doing right now?" Learn to let go and delegate.

Resources

WEBSITES

- Ministry of Small Business and Revenue: *www.gov.bc.ca/sbr* – links to one-stop business registration, tax information and other business services
- Check the Resource library on the Women's Enterprise Centre website at *www.womensenterprise.ca* or phone: 1-800-643-7014 to arrange a complimentary professional guidance session.
- Check your entrepreneurial skills against those of other women in business in the Business Development Bank's Woman Entrepreneur section: *www.bdc.ca*

RECOMMENDED READING

- "The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It" by Michael E. Gerber. Also see *www.e-myth.com*
- "How To Make Your Business Run Without You," Susan M. Carter. Nasus Publications,1999. The E-Myth is the psychology of how to run a business so it runs without you. Susan Carters book is a step by step on how to actually do it.
- "The Consultant's Toolkit: High-Impact Questionnaires, Activities and How-to Guides for Diagnosing and Solving Client Problems," Mel Silberman. McGraw-Hill, 2001
- "Flawless Consulting: A Guide to Getting Your Expertise Used," Peter Block. Jossey-Bass Publishers, 1999

Getting Serious

Gabrielle Loren
Loren and Company

"I incorporated through a lawyer. I am a firm believer of 'do what you do best and hire others to do the rest.'

I could have used a self-help book to incorporate my business, but how much time would it have taken and how much of my business was falling behind because I did not deal with it?

When any type of transaction is undertaken that may be scrutinized by a regulatory body like the Canada Revenue Agency, the last thing you need is to have your transaction declared null and void because you forgot to cross a "t" or dot an "i."

In 1989, Gabrielle Loren started her home-based accounting practice as a part-time sole proprietor. By 1995 she was full time, and by mid-1997 she had hired her first employee. It was not until 1999, however, that she decided to form a corporation.

Why would a CGA wait ten years to incorporate? One very simple reason: cost. Incorporation is expensive, with or without a lawyer. For the first six years, Gabrielle ran her business part-time so incorporating didn't make sense. She didn't need any tax benefits.

But as her business grew, Gabrielle began to feel the bite at tax time: "One of the hardest things about running a business that's taking off is that something has to give. In my case, it was getting a handle on accounts receivable. I was so focused on servicing clients and getting the work out the door, I lost track of how long some clients took to pay. Being a sole proprietor, I found that I was being taxed on the profit my business made, rather than on the dollars I was putting in my pocket."

By incorporating, Gabrielle would be able to use income splitting to differentiate between her income and the company's profits to reduce her taxes.

The second reason Gabrielle decided to "take the plunge," as she says, was that she no longer wanted to run the business on her own. "I needed good and qualified help. This type of help usually tends to last 3 to 5 years. They learn all they can, then they leave to start their own business or join another business in a more senior position." Gabrielle knew which roles she wanted to keep and to give away as the practice grew. She wanted someone who would stick around and grow the business. "Knowing I would probably want to bring on a partner in the future made me think about the most efficient way to do this."

Gabrielle's decision to incorporate was a 50/50 split between financial reasons (income splitting) and legal reasons (selling shares to a partner).

The employee Gabrielle hired in 1997 became her partner and vice-president in 2003, and their partnership is cemented by a shareholder agreement that covers all the "what-ifs." Gabrielle says that incorporation is the best step she has ever taken financially and legally, and as for partnership: "together we are a force to contend with!"

At some point in your business planning you may have realized that your company has grown beyond being "your baby" and is a separate entity, with requirements that you may not personally be able to meet. This is where you need to get serious and consider what you can do to ensure that your business can stand on its own two feet.

One way to move forward, while safeguarding what you've achieved, is to create a support team that is less about encouragement and more about:

- The nuts and bolts of keeping your business operating.
- Putting the mechanics of your future vision into place (this is really about turning your dream into activities).
- Ensuring that you and your business are safe from potential challenges on the road ahead.

Build your professional team

Who are the professionals who will help you grow? You may already have developed relationships with them. Perhaps you don't see an immediate need for their input. Even so, it's often wise to find professionals you trust and feel comfortable with before you need them, so that they are there if the road gets rough or takes an unexpected turn.

If you haven't already, consider building relationships with:

A lender: You may have different financial needs as you grow. Developing relationships with potential lenders ahead of time will benefit you in the long run.

A lawyer: Even if you don't need a lawyer right now, source one you can work with if you decide to incorporate or need legal advice in the future.

An accountant: Aside from the advantages of working with an accountant for yearly tax returns, he or she can also provide important information on long-term financial planning and incorporation.

A bookkeeper: Often when people start a business they try to keep their own books, aided by one of the many bookkeeping software solutions available. Over time, this can become counterproductive. Once you have a clear picture of your company's financial cycles, revisit the value of your time. Passing on routine bookkeeping tasks to a professional may be worth the expense.

An insurance agent: Are you protected against disability and liability?

What about incorporation?

Keeping your business safe may mean looking at incorporation.

The biggest issues around incorporation include whether and when you should do it. Take a look at both the advantages and disadvantages.

Advantages

Personal protection. Incorporation is a means of protecting yourself and separating your personal assets from those of your business. You will have limited liability for the debts of your business if things go wrong.

Increased value. You may find it easier to raise money for your business or to land customers who prefer to deal with corporations, especially where there are liability issues. Down the road, if you choose to sell, potential purchasers may value a business that exists independent of you versus one that, legally at least, *is* you.

Tax benefits. There may be tax advantages to incorporation, including tax deferral, income splitting with family members, and small business tax deductions.

Disadvantages

Cost. Incorporation will cost you both time and money. Your paperwork could increase. You must bear the cost of registering your corporation, filing annual reports and paying any legal or financial professionals involved. You might want to hire an accountant to prepare your yearly tax returns.

Reduced personal tax benefits. If you are no longer a sole proprietor, you cannot use business losses to reduce your personal income, nor can you use personal tax credits to reduce your business income.

Whether, when and how you incorporate all depend upon your ultimate goals and your specific situation. Your professional team can help you decide.

Resources

WEBSITES

- Check the Resource library on the Women's Enterprise Centre website *www.womensenterprise.ca* or phone: 1-800-643-7014 to arrange a complimentary professional guidance session.
- The Ministry of Small Business and Revenue offers tax information seminars and other business services. *www.gov.bc.ca/sbr* – click on taxation seminars. Tax information is also available by phone: 1 800 663-7867.
- Corporate Registry Information Packages located at *www.fin.gov.bc.ca/registries/corppg/CRinfopkg.htm*
- Small Business BC, www.smallbusinessbc.ca, phone: 1-800-667-2272 (604-775-5525 in Vancouver).*Email askus@smallbusinessbc.ca*, or check their website at *www.smallbusinessbc.ca*
- One Stop BC offers business services online and at kiosks around the province. See *www.bcbusinessregistry.ca*. Call the One Stop Help Desk at 1-877-822-6727 to find the kiosk nearest you.

WORKBOOKS AND GUIDES

- "Incorporation Guide for British Columbia," Janice Mucalov, LLB. Self-Counsel Press, 2004.
- "Incorporation Guide for Canada," Nishan Swais. Self-Counsel Press, 2003.

RECOMMENDED READING

- An excellent article outlining incorporation in more detail can be found at *www.sbinfocanada.about.com* – type "incorporation" in the search bar to view over 100 articles on Incorporation in Canada, including "Incorporation Defined, Should You Incorporate Your Small Business? What Are the Pros and Cons?"
- *www.lawyers-bc.com* is a website with articles on incorporation, business legal matters, and tips on hiring a lawyer.
- For referrals to a lawyer, follow the links at *www.cba.org*

Finding the Heart of Your Business

Judith Attfield
Hearthstone Holistic Health Corp.

"The biggest benefit has been to discover that when you help someone, you help yourself. Being successful in business is not about focusing on the bottom line, but focusing on people and doing your best for them. In this way, you both grow."

Judith Attfield is a psychotherapist, hypnotherapist and nutritionist. At 43, she quit her job and went back to school to earn a degree, which she achieved at 52. At 53 she earned a nutritional diploma. Then in 2003, Judith opened the doors of her new business, a holistic health clinic offering mind and body care to a varied community of clients.

As president of the Hearthstone Holistic Health Corporation, Judith knew she had to provide a host of services. "When you start out, the more you diversify the more you survive, especially in holistic health, where there are many practitioners."

Initially, Judith directed her energy into several channels: she counselled people with serious health or emotional problems, practised ear candling, manufactured her own line of natural body products, delivered speeches, talks and seminars, published a newsletter and started writing two books.

By May 2005, she knew she was no longer dealing with the survival of her business but with growth – instead of a quiet summer, she experienced increasing demand for her services. Now it was time to look ahead.

"My business has been an evolution from survival to growth, which has been mirrored by my own development. I, too, have gone from survival to growth, and as I look to the next five years, I ask myself, what do I look like? Do I still want to manufacture products? What does writing mean to me?"

Judith recognized that income often flows more readily where there is passion. "I love people and working with them. I have discovered I also love writing and public speaking." Narrowing her focus to what matters most, Judith has dropped manufacturing and ear candling from her services. "The things I don't like, I don't excel in," she says.

She's found the heart of her business. "This is the path I want to follow now – I think the next five years will be as exciting as the last two and a half."

What is the heart of YOUR business? You may have started out with a particular set of customers, products or services that gave you enough business to survive. Now that you're considering expansion, take a look at how you are operating. What has been successful that you want to keep? What has potential? What is most important to you now? Think of these questions in terms of both your customers and your business overall. Be ready to cut anything that drags on your time, resources and enthusiasm.

Streamlining your business and concentrating on what you really want to do can give you numerous benefits:

- You'll have more time and energy to put into growing your business.
- You may be able to reduce costs, both in inventory and in marketing.
- As you specialize in the things you do well, customers are more likely to recognize your value.

What stays? What goes?

What business are you in – really?

Asking these questions may help you determine where your business's greatest value lies:

Who are your best customers? Your best customers may be the ones who buy the most frequently...or not. They may be the ones who buy the most... or not. Sometimes the biggest customers are the best ones, sometimes they are not. Spend some time sorting your customers into distinct groups and compare them...who do you want more of?

What are your best lines of business? Take a look at what you offer your customers. Is there anything that shows more potential? Better payback? What is taking too much time or energy?

What are you known for? What do your customers believe that you do especially well relative to your competitors?

Where are you strong? Where are you weak? Think about the underlying skills, ability, knowledge, experience, technology or processes that enable your company to provide its unique set of products or services. What's working? What isn't?

Where is your marketplace going? What changes are happening in your marketplace that will impact your current customers and your offerings? What can you take advantage of? What will you need to respond to? What must you be careful of?

What focus will most likely take the business where YOU want it to grow? Which products and services offer you:

- Both a high percentage of sales and high profit margins?
- Advantages that your competition doesn't have?
- Real growth potential?
- A sense of pride and accomplishment?

What do you love to do? What provides the spark that will attract people to you and your business?

Business Assessment

Pure potential lies in the gap between where you are and where you want to go. Comparing the two will point to changes you can make to achieve growth.

Of course, it's always good to work with your assets, natural or otherwise. A SWOT analysis, examining your strengths, weaknesses, opportunities and threats, can help you do just that.

Success happens when you:

- take advantage of opportunities that are particularly suited to your strengths.
- draw on your strengths to ward off threats.
- are aware of your weaknesses and minimize their importance.

Resources

WEBSITES

- Small Business BC, *www.smallbusinessbc.ca*, phone: 1-800-667-2272 (604-775-5525 in Vancouver).
- The Kaufmann Foundation's www.entreworld.org has a variety of articles on strategy development. From the main page, follow the link to the "Growing Your Business" section.

WORKBOOKS

- "Moving Forward: Strategic Planning for Small Business" Woman's Enterprise Centre's supported self-study guides, *www.womensenterprise.ca*

RECOMMENDED READING

- 'Strategic Thinking' by Michel Roberts, McGraw Hill Professional Book Group, 1998.

Growth Strategies

Ramona Davidson
Coffee Talk Express

"I strongly believe that excellent customer service is the key. Listen to your customers and provide them with the service and products they want.

Training your staff to provide top-notch customer service is the most important thing."

"It all started when I lost my job," says Ramona Davidson. Deciding to turn her love of computers into a profitable enterprise, she founded Coffee Talk Express, a four-page community newsletter, in 1993. Chetwynd already had two newspapers, a morning daily that came out five days a week and a larger paper published weekly. How could she make her business stand out and succeed?

Ramona looked for needs that were not being met. "Coffee Talk Express was created...with community news and events as our main focus," she explains. In order to gain an edge in the marketplace, she identified how Coffee Talk Express could stand out from the competition.

"I made a commitment to our advertisers that we would be out on time. People trusted me and I delivered. I made sure that our paper was on the stands by 9:00 a.m. every Monday, Wednesday and Friday. We had many late nights, but once we got into a routine, things got easier."

Local advertisers happily climbed on board. Having found her strategic edge, Ramona was ready to grow her business. She looked for products or services that she could sell to her solid and happy client base. By 2003, she had created a strategic alliance with a stationery company from Fort St. John. Contracts with several international delivery services followed.

How many of the growth strategies described below has Ramona used? About six...but not all at the same time.

Choosing the right strategy at the right time has allowed Coffee Talk Express to move from a one-room office to the expanded store-front building that the business now owns. Five full-time employees and one student make up "the best team an entrepreneur can ever ask for," offering, in addition to the newsletter, a full line of business services and supplies to the local community.

Coffee Talk Express still comes out on-time three times a week, but with a difference: the little-paper-that-could now offers an unlimited number of pages of news and advertising, distributing 5000 copies to the communities of Chetwynd, Tumbler Ridge and Dawson Creek each week.

Growth strategies take many different forms. You can focus on adding customers, building existing accounts or developing new products and services. Start with your vision, the big dream, and move to a careful examination of your strategy options. Then make a plan.

Which strategies are more likely to take you where you want to go? Which are best suited to your business and your own style? Remember that there are processes and systems that can help you accommodate growth.

More customers

Simply adding to your customer base is perhaps the most natural strategy for business growth. You have a number of choices for adding customers.

Expand your reach: Offer your existing products or services to new customers in new areas. For example, expand your service area to include other neighbourhoods, cities, provinces or countries. You can include new ways of reaching these markets, via mail order or the Internet.

There is considerable support available to help you export internationally. If you have the right type of product or service, this can be a great way to tap into new opportunities.

Explore new markets: Find new types of customers within your existing service area. For example, if you are a retail pie company, you might consider approaching restaurants to add to your customer list.

Create strategic alliances: Partner with another business for either marketing or production, to share customers or attract new business that is currently out of your reach. For example, an auto detailer might join with a windshield repair business; or a team of professionals could come together to bid on a large government contract.

Acquire another business: Purchase a business, or part of a business, with an existing client base. For example, take over clients from a retiring financial planner.

While all of these strategies may look attractive, each one is a major project.

Tackling more than one at a time can send you and your business reeling.

Try to focus on your top priorities. Remember to set goals, timelines and milestones.

More sales

In some cases, you already have a broad customer base, but not a high level of ongoing support. Perhaps you are not "top of mind" for existing customers, or they don't see your business as different from the competition. In other words, you need to make your business stand out to gain those all-important repeat sales and word-of-mouth referrals. You can do this in a number of ways, from improving the way you serve your customers, to customizing what you offer.

Get serious about customer relationship management: Introduce deliberate and reliable processes for interacting effectively with your customers. For example, you might better service, track and follow up with new customers. Use available technology. If you don't already have customer relationship or contact management software, consider exploring different products that would allow you to manage customer details, activities, opportunities and communications accurately and efficiently.

Develop a strategic edge: Move your business ahead of your competitors by getting better at meeting customer needs. For example, if you find your customers are always short on time, consider how to service that need in a way that your competitors aren't. The goal is to attract more referrals and to make the marketing and selling processes less labour-intensive.

Find your strategic niche: Set yourself apart from other service providers by filling a need that cannot be easily met by other businesses. Develop a speciality that other people can't easily follow. A market niche can give you more top-of-mind recognition. One way to claim a niche is to combine two areas of expertise: for example, a pet photographer; or an on-line greeting card / personal assistant service that sends reminder alerts and card selections on pre-set dates.

Higher sales value

Sometimes the best move for your business is to focus less on generating new customers and more on better meeting the needs of the ones you already have. Your goal may be either to have existing clients purchase more frequently or to increase the size of each sale.

Add-ons: Are there products or services that could enhance your existing offerings and would be natural add-ons? For example, can you provide extra service packages, troubleshooting, delivery or repair?

New products: Perhaps there are products or services that would complement the ones you have now? For example, if you offer weekly in-home meal preparation, is there a line of condiments, sauces or dressings you can manufacture to sell at the same time?

New lines: There may be opportunities for whole new lines of business that your existing customers will embrace enthusiastically if you are the provider. For example, if you have a housecleaning service, can you expand to offer the services of a pet care team during the peak holiday times? You already have the keys and your clients' trust. What would your customers like to have that you can supply?

Improved systemization/processes

Your sales-related growth strategy may be more effective if it is partnered with a strategy to better deliver your products or services to your clients.

Operations: You may want to add systems or equipment that can streamline time or labour-intensive activities. Or, consider outsourcing processes that will slow your growth or remove your focus from the heart of your business. For example, you may want to move into a pre-packaged office setting or hire a delivery service.

Staff: Your staff might need some training to prepare them for growth. You could require contract help, specialist input or outsourcing of administrative tasks. For example, you may want to bring in a trainer to ensure that customer relationship management is handled well. You could also contract a professional to oversee periodic communications needs and outsource some of your customer service.

Technology: What systems and processes are you managing by hand that can be completed using technology? For example, in addition to acquiring contact management software, consider updating ordering, delivery processes and record keeping. You could also provide newsletters, marketing materials and document updates via email or your web site.

Resources

WEBSITES

- Small Business BC, *www.smallbusinessbc.ca*, phone: 1-800-667-2272 (604-775-5525 in Vancouver).
- The Kaufmann Foundation's *www.entreworld.org* has a variety of articles on strategy development. From the main page, follow the link to the "Growing Your Business" section.
- The Canadian government source of information and tools for new or experienced exporters is *www.exportsource.ca*

WORKBOOKS AND GUIDES

- The Women's Enterprise Centre offers supported self-study on their website to help plan strategic growth: Moving Forward: Strategic Planning for Small Business *www.womensenterprise.ca*

RECOMENDED READING

Magazines are perhaps the best way to see real strategies described in detail. Some excellent resources include:

- "BC Business Magazine" stories from around the province *www. BCBusinessmagazine.com*
- "Business in Vancouver" weekly with excellent columns *www.BIV.com*
- "Entrepreneur" the magazine for small and medium businesses *www.entrepreneur.com*
- "Fast Company" articles to assist in creating more effective business practices. *www.fastcompany.com*
- "PROFIT: Your Guide To Business Success" *www.PROFITguide.com* has an excellent e-mail newsletter for women entrepreneurs

Expanding Capacity

Angie Gottenberg
Partner and Manager
Painted Turtle Guesthouse

"Maximize your sales team.

You are only one person, and while it may seem so at times, you cannot achieve the world on your own. Invest in 'sales' people to help you 'sell' your business – this may be staff, business partners, professional affiliations, complementary business owners, friends and family, or your next door neighbour."

In July 2004, Angie Gottenberg and her partner Bruce Barnard opened the Painted Turtle Guesthouse in Nanaimo, not expecting rooms to fill consistently for a number of years. Within a year, however, the hotel-style heritage property had drawn in summer tourists with 80 to 100 per cent occupancy per night.

Some turtle. After three months of peak-season activity, the guesthouse had gone beyond survival and was looking after itself.

"We had anticipated this level of growth by our third or fourth year," says Angie, "with a vision to expand operations to include day tours, scheduled activities for guests, and a centralized booking centre to select Vancouver Island activities."

Here was early opportunity to turn their vision to reality in the middle of peak tourist season. But Angie and Bruce were already working 90 hours per week each, running the guesthouse. If they were going to fulfil their vision now, they would have to lighten their own workloads and increase their capacity by hiring new staff.

Luckily, Angie and Bruce had practice as strategists. "We were confident we could generate additional sales equal to or greater than the cost per day of staff wages, if we focused on sales." They found the people they needed to join their team, including a consultant to do their bookkeeping, and soon felt the results.

"The number of hours we now have for sales, promotions and business expansion has increased from approximately 15 hours per week to 30, while the overall number of hours worked per week has been reduced to a sustainable level. This will directly increase our capacity to grow the business."

The Painted Turtle is well on its way to achieving what Angie and her partner call their number one growth strategy: "to develop a dedicated, full-time team of staff that supports our vision."

It's a classic balancing act: how do you grow your business quickly without getting buried by work and details? As you expand, you might struggle to hire people fast enough to keep up with the increasing load, or unfinished paperwork might mount in your back office until the place resembles a massive recycling bin.

Before you can really begin to grow, you have to create the ability to grow. Capacity is all about your business's ability to produce. You may not need to build capacity yet, but having an idea of how you will do it when the time comes will increase your chances of success.

Remember your role as strategist

Perhaps the best place to start is at the top. What is your value to the business as a do-er? A manager? A strategist? In order for the business to expand, what do you need to do more of? What must you change to increase your own capacity? Sometimes it's hard to let go of control, but the rewards can be great.

How can you expand without spending a lot?

Following are some ideas that can help you expand capacity without breaking the bank. There are endless resources available to you; it is worthwhile to explore those that might be useful. Consider allocating time just for exploration and information gathering. Working ahead may offer creative and cost-effective ideas and may also boost your self-confidence.

Borrow. Ask for a little assistance from your friends or family. The key word is "little." Even if they don't ask for it, consider offering them a formal payback schedule. Be clear on your agreement and stick to the schedule.

Rent. Rent or lease office space, vehicles and equipment as needed.

Go temporary. Look for short-term or flexible alternatives. Consider the following options:

- ***Temporary help:*** For quick-study production or office support, private temp agencies can provide skilled help for short-term or temp-to-hire assignments. While the cost may be higher than doing the recruiting and hiring yourself, agencies manage staff paperwork and payroll and give you flexibility in terms of commitment. For cost-effective alternatives, check whether there are HRDC-sponsored and/or hiring programs in your community for cooperative-education or business students.
- ***Contract positions:*** For seasonal work or specialized needs at either the staff or management level. Contractors are responsible for their own employment benefits, must work independently and must bill you for that work. Contracting can be a bit tricky so if you're not sure whether the work you're offering would be considered contract or not, check with BC Employment Standards. As well, ensure that a clear understanding of deliverables is in place between you and the contractor so there are no surprises. A written contract is probably in your best interests.
- ***Intentional part-timers:*** Often overlooked as sources of help are those who don't want full-time employment. Many seniors are both reliable and competent. Mothers with kids in school may be looking for challenging part-time work. Students may have that one day a week available that will make just the difference you need. Your ability to work within their schedule can give you access to high-quality help at a reasonable cost.

Outsource. Outsourcing accesses expertise without adding to a company's staff and overhead. You can outsource:

- ***Operations or production.*** Contract out part of your production or delivery processes.
- ***Back-office functions.*** You can outsource specialized tasks such as basic bookkeeping, database management, transaction processing and billing, collections, payroll and even the management of WorkSafeBC accounts.
- ***Business support services.*** You can also outsource general office support for a number of tasks or a service package. These can include a combination of tasks such as those listed above, as well as, for example, voice mail and call forwarding, mailing and shipping, word processing, editing and proofreading, graphic services and Internet research.
- ***Sales.*** Agents, brokers or manufacturers' reps will represent specialized products or services for a commission on their sales.

Hiring Full-time Staff

Taking on full-time employees is a big decision and one that strikes fear in the hearts of many entrepreneurs. In order to succeed as an "employer of choice" consider these strategies:

Know exactly what you're looking for well before you begin your search. Start by creating a clear job description and skills checklist.

Give yourself the time to hire well. Prepare challenging interview questions, check references and ask for outside input if needed. Don't compromise. If no one meets your hiring criteria, look again.

Know BC's employment standards.

Stay on top of the paperwork. Handle your payroll and benefits remittances accurately and promptly.

Create workplace policies and procedures.

Be a leader. Train staff. Give clear directions. Walk the talk.

Set performance standards. Make sure both you and your staff can objectively measure their effectiveness.

Review performance with staff on a regular basis.

Be proactive and open in your communication. Don't let questions or concerns fester.

Find virtual help. Some frequently outsourced services are available entirely over the Internet. Everything from initial contact to payment is carried out online. A few to consider include:

- ***Freelance professionals*** who provide everything from IT support to writing and editing. Hire them on a per-project basis or to help if you are short on time.
- ***Virtual assistants*** who offer most business support services and are generally web and email savvy. They can use online platforms to access and work within your computer system.

Create a strategic alliance. Share staff, production facilities, marketing or sales channels, or delivery services with a complementary business.

Use technology. Make the most of the technology that is available to you. You don't need to be an expert. Think about what different solutions can offer you:

- ***Tech support packages***, including live tech support for your most important software, can save you when glitches come up in your system.
- ***Template solutions*** from online providers may work perfectly well for your business. These include a range of marketing options that save you the expense of custom work, from business cards to e-commerce to graphics to marketing plans to website templates.
- ***Specialized software platforms*** to save time and energy. The many business platforms available can often be customized for your needs.

Give your staff more responsibility. Add entry-level staff and give your existing employees more challenge. Your employees know your business and you, and both may benefit from having the right people take on more responsibility.

How you expand depends upon:

What you have decided you want your business to look like (see *Deciding to Grow*).

What your business focus is (see *Finding the Heart of Your Business*).

The growth strategy that is most likely to get you where you want to grow (see *Growth Strategies*).

Resources

WEBSITES

- Check the Resource library on the Women's Enterprise *website www.womensenterprise.ca* or phone: 1-800-643-7014 to arrange a complimentary professional guidance session.
- The Ministry of Small Business and Revenue has links to one stop business registration, business services and tax information. *www.gov.bc.ca/sbr*
- Small Business BC, *www.smallbusinessbc.ca*, phone: 1-800-667-2272 (604-775-5525 in Vancouver).
- Government of Canada payroll information and definitions, *www.cra-arc.gc.ca*. Click on "tax" then "business" and select the topic in the "topics-index"
- Province of BC Ministry of Small Business and Revenue, *www.rev.gov.bc.ca*, search for "Tax Reporting Requirements"
- Worksafe BC information or to register your company, *www.worksafebc.com* and click on "online-services"
- Business resources, *http://strategis.ic.gc.ca*
- To find out about employment standards in BC, visit *www.labour.gov.bc.ca/esb/*
- The Kaufmann Foundation's *www.entreworld.org* has a variety of articles on strategy development. From the main page, follow the link to the "Growing Your Business" section.
- *www.guru.com* - probably the largest site on the web for hiring a variety of services.
- *www.elance.com* - project outsourcing
- *www.digitalwork.com* - ways to manage marketing in-house
- *www.canadianva.net* and *www.cvac.ca/CVACmembers/members.php* - Canadian Virtual Assistant
- *www.myworktools.com* - a community where you can find templates for everything from employee manuals to contractor agreements.

RECOMMENDED READING

- "The 7 Irrefutable Rules of Small Business Growth," Steven S. Little. John Wiley & Sons, 2005

Managing the Money

Sue Adams
Managing Partner
Bevendale Enterprises, Inc.

"One of the costs of seasonal demand is the amount of time and money spent hiring and training staff.

By striving to be an employer of choice in the resort town, we have reduced turnover by 25 per cent and increased efficiencies to the point where we have reduced the number of employees needed in the slow periods by 20 per cent."

The mountainous scenery reflects the highs and lows. Sue Adams operates a year-round business buffeted by extreme seasonal fluctuations. As managing partner (with her husband, Bob) of Bevendale Enterprises, Sue started out with The Grocery Store, a Whistler institution, and grew to include Delish Café and Catering, offering quality foods to hungry, big-spending clientele. During the five-month peak ski season, Sue and her staff work all out to meet high customer demand. Then, business falls away, with a smaller peak over the summer. How does she manage the money stretch?

"We have business history to rely on for planning," Sue explains. "We understand that we will lose money during the shoulder seasons, because we are committed to offering the same goods and services year round, and we plan accordingly."

In order to manage cash flow properly, Sue involves her entire management team. Accountants and company principals review cash flow weekly. All managers review monthly profit and loss statements. Department managers keep a sharp eye on inventory, which is critical for fresh and frozen food products with a shelf life. Managers need to know exactly when demand will swing.

Another key concern is retaining enough of her team during down periods to keep the business running without throwing out the budget. Sue employs key staff full-time, year-round, and cross-trains them to work in multiple departments during down times. Others are hired for the peak season only. Because service excellence is important, she offers all employees performance bonuses, paid at winter's end, and provides many benefits, including affordable staff housing - a huge plus in Whistler's upscale rental market.

What are the trade-offs? Earnings over the winter must stretch to help cover year-round wages for permanent staff, mortgage and property tax payments for staff accommodations, and upgrades to equipment and décor during the slow sales periods. The rewards? A continually growing success – The Grocery Store has won awards of merit annually for the past 11 years, and in 2004 was inducted into the Canadian Grocery Hall of Fame.

If the heart of a business is what it provides to its customers, then money is its lifeblood. No matter which option you choose for growth, money must keep circulating continually, as you need it. You must have positive cash flow to survive.

Cash flow is especially critical for a growing business. Increased sales often cause additional expenditures on staff, support, inventory, warehousing or anything that might need to expand as a result of stepped-up activity.

Your plan may call for slow and steady growth or a rapid rise, depending upon:

- customer demand for and response to your product and to marketing
- what you ultimately want your business to look like (see 1: Deciding to Grow)
- your personal values around money, risk and control (see 9: Taking on Debt)

Without cash flow, you can't grow. The more rapid your growth, the more magnified your challenge can become – your business can turn into a "cash sponge."

You may have additional challenges. Your business may be subject to seasonal fluctuations. Or you might just land a whopping big customer and suddenly have to change how you operate.

Map it out and reduce your worries

Maintaining positive cash flow means staying on top of your money. How much is going out and how much is coming in? When? Financial experts recommend that you check your cash balance at least at the beginning and end of each month. If you don't have a system for forecasting and comparing budget-to-actual cash flow, ask your accountant or bookkeeper to assist. Check to see if your accounting program includes cash flow analysis features. With intelligent forecasting, you can predict and manage your own peaks and valleys.

The following strategies can help keep cash circulating:

Profitability is #1: Don't confuse sales and profitability. Profits are what will fund your business growth if you don't intend to borrow. Keep your eye on establishing and protecting your profit margins. Making price concessions to get new business may help your short-term cash flow, but it won't help your business grow.

Focus on the heart of your business: Concentrate on delivering the "right" offering to the "right" customer at the "right" price. If you are unclear what this looks like, see 5: Finding the Heart of your Business. Consider dropping products or services that tie up cash or provide low profits and focusing instead on those that offer higher returns.

Manage the inflow and outflow: Sometimes you do have the cash you need, but you need to manage it carefully to make it work for you.

- ***Managing the inflow*** means ensuring that your invoicing is delivered, payment is received and deposits are made as soon as possible. Don't be afraid to tell customers that, as a growing business, you can service them better if their bills are paid on time. Find out what you can do to help them speed their payment.
- ***Managing the outflow*** means covering your expenses in a timely and cost-effective fashion. You may want to shop suppliers for credit terms and pay bills when they are due rather than early or late.

Your **gross profit margin** is the money left over after you take the cost of producing goods and/or services away from the revenue you get from selling them. If you sell a widget for $10 that costs you $3 to make, your gross margin is $7 or 70% ([7 ÷ 10] x 100).

Your **net profit margin** is what is left after you also take operating expenses or overhead away from revenues. In the example above, if you estimate an additional $3 overhead for every widget you produce, your net margin is $4 ($10 - $3 - $3) or 40% ([4 ÷ 10] x 100).

Look for sources of short-term funding: If you have seasonal variations or sales-related peaks and valleys, set up a line of credit or arrange for a short-term loan. You can also borrow against your accounts receivable from a reputable factoring firm. Use your credit card carefully and, if you borrow from friends and family, have a firm agreement in place.

Inventory is not cash: Whether it's raw materials or finished goods, every item sitting on your shelf is costing money. It doesn't make money until it is sold. Find ways to minimize your inventory through greater efficiency in ordering, delivery or managing production. Look for "just-in-time" solutions.

Tap into your supplier's reserves: Relationships with suppliers are critical – know when to shop competitively and when to ask for a favour. Some suppliers offer outright financing. Don't be afraid to ask for extended terms if needed, but don't jeopardize your reputation by paying late.

There are two basic sources of financing for business growth:

Externally generated funds. These include loans, accounts payable, investors and sources outside the business.

Internally generated funds. While in the short term they may include accounts receivable, in the long run, they really only come from profits.

Resources

WEBSITES

For provincial tax information and other small business services, check out the Ministry of Small Business and Revenue – *www.gov.bc.ca/sbr*

WORKSHEETS

You can download excel forms for cash flow projections from the Women's Enterprise Centre website: *www.womensenterprise.ca*

RECOMMENDED READING

"Bookkeepers' Boot Camp: Get a Grip on Accounting Basics," Angie Mohr. Self-Counsel Press, 2003.
"Financial Understanding for Small Business" Self Study Guide, *www.womensenterprise.ca.*
Financing – Keep that cash flowing (& others) *www.profitguide.com/maximize/*
www.entreworld.org has a variety of articles on managing finances through growth. From the main page, follow the link to the "Growing Your Business" section.
"Never Run Out of Cash," Philip Campbell. Grow and Succeed Publishing, 2004.

Taking on Debt

Jinous Nouri
Stick With Us Products

"Take calculated risks! Without taking risk, you won't grow beyond a certain limit.

My husband's university professor used to say even walking requires a 50 per cent risk, because you have to lift one foot off the ground and rest on only one leg in order to take the next step."

A chemist in her native Iran, Jinous Nouri worked for years to develop a natural hair removal product safe enough for her daughters to use, without chemicals and skin irritants. After emigrating to Canada and unable to find a rewarding job, she decided to turn her work into an income generator. In 1990, Jinous began to manufacture MOOM in her kitchen.

The whole family helped to produce and package MOOM from their home. Jinous tapped into every sales avenue that worked: on consignment in small specialty stores, person-to-person, at flea markets. Then the demand for herbal body care products started to take off, and MOOM had few competitors. Success at trade shows led to larger stores and eventually to distributors. It was time to get out of the kitchen.

There was just one problem – in order to grow, the business needed financial help. But taking on debt was not a traditionally acceptable tactic for Jinous. "In Iran," she explains, "having debt was not considered the way to start or grow a business." Instead, it was seen as a sign of failure.

Neither staying small nor selling shares in the company were options. In the end, Jinous chose to get a loan for a reason close to her heart. "The outstanding potential of our product to address a vital need in the marketplace for truly natural products convinced us that we could provide an alternative to our customers that did not - and still does not - exist."

It was a risk, but a calculated one. Costs are kept down, principals receive low monthly wages, and as many processes as possible take place on-site, right down to design of both packaging and the manufacturing machinery.

Today, MOOM is produced in the company's facility in Richmond and is sold in stores, over the Internet and on shopping channels, including QVC and the Shopping Channel in North America and internationally. A far cry from kitchens and consignment, but not far from Jinous's commitment to the 100 per cent natural product that has always been at the heart of her business.

Growing a business can be both exciting and scary. What if the growth you want is bigger or faster than internal profits will support? What if you need to purchase equipment or respond to a quick-moving marketplace?

You can fund your business in two major ways:

- **Take on long-term debt.** Often used for asset purchases, with the asset securing the loan along with personal guarantees if needed. Debt lenders (creditors) will set a fixed repayment schedule and rate, and expect to see a comprehensive business plan with a cash flow projection that covers the loan payback. Unsecured loans (used for operations and cash flow rather than assets) are more difficult to arrange and tend to carry higher interest rates.
- **Find an equity investor.** Most equity partners are willing to invest in your business in return for some level of involvement. Rather than a steady loan repayment schedule, they are looking for business growth, profitability, a potential return on their investment and input into your success. In some cases, investors may ultimately buy your business.

Financiers, whether bankers or investors, compete with each other for business. If your business is strong and healthy with good opportunities for growth, if you have done your homework and can present a good case, then

you are in the driver's seat. Put your energy first into ensuring your business growth is well-researched, defined and realistic. Use your circle of support and your professional advisors to help you determine where more work is needed.

Create your growth plans, including your financial forecasts, for yourself. Then it will be easier to explain them to others.

Risk vs. Reward

As women, we sometimes put on our personal brakes when considering financial commitments. Stop for a moment and ask yourself these questions:

Define the reward: Where do you ultimately want the business to go? What's your vision for the business? What's your exit strategy? (see 1: Deciding to Grow)

Describe the risk: What are the financial risks related to that reward? List all the risks related to your ultimate vision that will take you out of your safety/ comfort zone.

Set the ratio: Normally, risk and reward are related. It's not easy to achieve great results without an element of risk. Which one is more compelling – your ultimate vision or your need for financial safety? Assume that those two equations each represent a percentage total that adds up to 100. Give each one a percentage.

Adjust the risk: If your top priority is the reward (what the business can achieve), determine what actions you might take to minimize the risks that concern you. You may want to lease instead of buy, outsource rather than produce, contract rather than employ. You may want to focus on a specific type of business/customer, conduct extra market research, do more planning or put better financials in place.

Adjust the reward: If your focus is on minimizing risk, return to your vision and determine what you are willing to let go of in order to have inner peace. Keep revising and adjusting until you have a balance that works.

According to a study by Industry Canada on small and medium enterprises financing in Canada, in 2000 majority female owned SMEs obtained a loan approval rate of 82%, which is slightly higher than the approval rate for majority male-owned businesses (80%).

This suggests that when they apply for financing, business women submit excellent applications.

Resources

WEBSITES

- Western Economic Diversification Canada, *www.wd.gc.ca*. Select "Business Tools and Guides," then "Sources of Financing."
- Check the Resource library on the Women's Enterprise website for articles on Accounting and Finance, Cash Flow Projection forms, and Cash Flow Forecasting and Break Even Analysis *www.womensenterprise.ca* or phone: 1-800-643-7014 to arrange a professional guidance session.
- Ministry of Economic Development has programs to help small businesses access capital: *www.equitycapital.gov.bc.ca* or 1-800-665-6597.
- Small Business BC, *www.smallbusinessbc.ca/financing*.
- BDC offers 2 resources: Demystify your Banker prepares you for dealing with the world of finance-speak. Ratio calculators help you determine your financial health. Both at *www.bdc.ca*. Follow the links from Women Entrepreneurs.

WORKBOOKS AND GUIDES

- "Financial Understanding for Small Business" Self Study Guide, *www.womensenterprise.ca*
- Small Business BC's Interactive Business Planner, sample business plans and other resources are available at *smallbusinessbc.ca*. Follow the "Small Business Guides" link to the "Business Planning" page.
- See "Start and Run Guides" at *www.self-counsel.com*.

OTHER LINKS

- Many financial institutions provide small business counselling services, often tailored to women, and/or youth and Aboriginal entrepreneurs. Check with your credit union or bank.
- Money Links, Vancouver Enterprise Forum: *www.vef.org/angels/moneylink.htm*
- ABLED Loan Program: *www.wd.gc.ca/finance/programs/microABLED_e.asp*
- Business Basics for Entrepreneurs by Mike Volker: *www.vef.org/angels/moneylnk.htm*
- Business Development Bank of Canada: *www.vef.org/angels/moneylnk.htm*
- Community Futures Development Corporation: *www.communityfutures.ca/*
- Export Development Corporation: *www.growth.edc.ca*
- Canadian Youth Business Foundation: *www.cybf.ca/*
- International Finance Corporation: *www.ifc.org/*
- Financing: *www.profitguide.com/maximize/*

Looking Out for Number One

Brenda Palmer
Mrs. Palmer's Pantry, Inc.

"In the morning I get up really early. I have some quiet time, sit with my coffee and get very clear about the activities I need to accomplish that day.

Then I write them down. If you don't write them down, they are wishes; when you do, they are goals.

I use my list to stay focused. But it also helps me to say no and set my boundaries. It's easier to say to someone, I'll put it on the bottom of my list and get around to it when my other priorities are done."

Ten years ago, Brenda Palmer was a single mom with three children and a baby, hand-producing antipasto for friends and family in her kitchen. Now, her 3,000 square-foot facility in Cranbrook produces over 15 varieties of gourmet food products like roasted garlic and caramelized onion glaze, apricot ginger BBQ sauce and wild BC huckleberry jam.

Brenda energetically jumps at an opportunity when she sees it, and doesn't often give up. Her products are sold and served by the likes of Urban Fare, the gourmet food store, Safeway stores in the four western provinces, and Air Canada, who offer her antipasto and baked pita chips to travellers out of Vancouver and Toronto.

How has she juggled her family commitments with the growth of her business?

"I was stretched in so many directions when I started the business," she says. "I couldn't take on any more, so I just got real honest. I am a firm believer in open communication. I would be very clear with the kids about what they needed to do to help and why they needed to do that...whether it was at home or in the business. The kids still help, because we still label by hand."

At work, Brenda had to wrestle with the "busy" factor, trying to oversee everything at once. A pivotal moment came when her accountant ordered her to "go and sit at Burger King for an hour and watch how hard the people work for their wage. No boss is rushing in to do his or her work, so don't you."

Brenda learned to set boundaries and keep them. "Expect people to do the work that you are paying them to do," she says. "We tend to just take it back on and do it ourselves. Women help themselves to too much guilt. You'll never get ahead if you are always going back."

Brenda also knows when to move on. When she learned the White House was a customer five years ago, she said good-bye to fairs and farmer's markets and hasn't looked back.

One of the dangers of doing business for yourself is forgetting that you need to strategically plan all aspects of your life, not just the mechanics of your business. It is easy to react to things as they arise – family demands, business demands and opportunities – without considering the consequences of taking on just one more thing.

If you've started your own business, you are likely a go-getter, capable of juggling a large quantity and variety of tasks. You may ask too much of yourself without even realizing it.

Even if you have a phenomenal level of energy, the chances of you running out of steam are far greater if, as you add new activities and expand, you don't find things to take away. If you don't want to burn out, it's in your best interests to place yourself first.

Simply put, time is finite. So is energy, and so are you.

Staying on top

Most working women claim they are stressed and that their lives are out of balance.

As a business owner, however, you have the potential advantage of being more in control of your life than someone who has a boss. You ARE the boss. Again, rather than just doing more, spend time identifying strategies that will allow you to do more of the right things. Leave the do-er behind and plan to stay on top of your priorities. The following strategies may help you:

A "don't do" list. Identify exactly what you will be giving up or delegating, temporarily or permanently, in order to focus on growing your business. Think in terms of work, people, time and money. Determine how long you will give up the activities. Keep that list with you and refer to it often.

Trade-offs. Every time you add something new to your work, decide what you will give away.

Weekly planning sessions. Turn off the phone, shut the office door, and revisit your vision for the business. Use this time to reconnect with and realign your activities for the week with your vision.

Relentless focus. Keep your eye on the heart of your business and on your vision for the future. Ask yourself: "Is this the best use of my time right now?" If it's not, let go and shift back into focus.

Check your expectations. Is what you are trying to achieve realistic? Avoid frustration by looking clearly not only at your goals, but the timeframe you've set for achieving them.

Perspective. If your priorities changed today, would you know what to let go? Could you move with flexibility?

A weekly play-date. Try something new and different. Take time to have some fun and reconnect with your creativity. Go alone, with your spouse or with a buddy.

Guard your family time. If you need family time, protect it as much as you can; define your boundaries clearly. Remember this works both ways. Try to communicate the importance of your business time to your family as well. Guilt is a terrible energy sapper.

Discover the joy of saying "no". Dress rehearse for situations where you need to protect your boundaries and practise in front of the mirror if needed. If you aren't sure about doing something, take time to decide. Ask yourself if this is the best value for your time right now.

More than 70% of Canadian women who run a business are married and nearly one-third of them have children under the age of 12. Add to this the growing need for the "sandwich generation" to care for their aging parents, and time becomes a woman entrepreneur's greatest challenge.

Women Entrepreneurs: Leading the Charge. CIBC Report: 2005

Resources

WEBSITES

- The Women's Enterprise Centre at *www.womensenterprise.ca* or phone: 1-800-643-7014 for complimentary professional guidance.
- On-line information and resources: *www.gov.bc.ca*
- Check out the Library for articles on lifestyle balance at *www.beyourownboss.org*
- Work-Life Balance Work/Life and New Workplace Challenges," *www.hrsdc.gc.ca*. Select "Business/Labour" and "Workplace."

RECOMMENDED READING

- "Secrets of Self-Employment (Working from Home)," Paul Edwards and Sarah Edwards. Tarcher, 1996
- "Briefcase Moms - Success, Balance, Life" includes Lisa Martin's book, website and a number of resources. *www.briefcasemoms.com*
- "The Artist's Way: A Course in Discovering and Recovering Your Creative Self," Julia Cameron. Pan MacMillan, 1995

Key Resources

Being in business for yourself is a growing and deliberate choice for many BC women. You may be single or married, a lifestyler or a business driver...you can design the business that gives you the optimum combination of challenge, control, and flexibility in your busy life.

Growing your business could range from improving your hourly rate with less output to growing an international business. The right form of growth is the one that works for you. Whatever you choose, growing a business can be an adventure. But just as with any journey, you are more likely to enjoy yourself if you know where you want to go, pack your bags accordingly, manage your time and money well, and choose good travelling companions.

BC has a myriad of resources to help you manage and expand your business, regardless of the size. This general resource list can be a starting point, and can lead to to more specific information and solutions for your business growth.

British Columbia

- Women's Enterprise Centre serves women in business across BC, **www.womensenterprise.ca** or phone: 1-800-643-7014.
- Small Business BC, **www.smallbusinessbc.ca**, phone: 1-800-667-2272 (604-775-5525 in Vancouver).
- OneStop BC offers business services online and at kiosks around the province. See **www.bcbusinessregistry.ca**. Call the OneStop Help Desk at 1-877-822-6727 to find the kiosk nearest you.
- To find provincial government programs or departments, call Enquiry BC, 1-800-663-7867 (387-6121 in Victoria, 604-660-2421 in Vancouver). TTD for hearing impaired, call 1-800-661-8773 (604-775-0303 in Vancouver). E-mail EnquiryBC@gems3.gov.bc.ca.
- BC Chamber of Commerce, **www.bcchamber.org**.
- Better Business Bureau: Mainland BC, **www.bbbvan.org**, 604-682-2711; Vancouver Island, **www.bbbvanisland.org**, 250-386-6348.
- Be Your Own Boss entrepreneur site, **www.beyourownboss.org**. Provides training, emotional and financial support to qualified applicants through the self-employment training programs.
- International Self-Counsel Press – owned by a BC woman – offers a variety of "Start & Run" guides on enterprises such as crafts, desktop publishing, and tour guiding businesses, bed-and-breakfasts and second-hand stores. They can be found in the "Business Books" section of the Self-Counsel Press web site, **www.self-counsel.com**, and in public libraries.

Canada

- Western Economic Diversification, entrepreneurial resources: **http://www.wd.gc.ca/ent/default_e.asp**
- Western Canada Business Service Network - several integrated organizations that provide entrepreneurs with expertise to start a new business or expand their company. The network includes Canada Business Service Centres, Community Futures Development Corporations, Women's Enterprise Initiative offices, Francophone Economic Development Organizations, and regional WD offices in Western Canada. **www.wd.gc.ca/pos/default_e.asp**
- **Managing for Business Success**
  http://strategis.ic.gc.ca/epic/internet/inmfbs-gprea.nsf/en/Home
  Managing for Business Success – the Web portal for owners and managers of small and medium-sized businesses who need sources of practical information, tools and advice for just-in-time solutions.
- Business Development Bank's Woman Entrepreneur, **www.bdc.ca**, 1-877-BDC-BANX (232-2269).
- Industry Canada, **www.ic.gc.ca**.
- Government information on business in Canada, **http://businessgateway.ca**.
- Business resources, **http://strategis.ic.gc.ca**.
- Canada Business Service Centre, **http://cbsc.org**.
- Community Futures Development Corporations, **www.communityfutures.ca**.

More Information:

For First Nations Entrepreneurs

- First Citizens Fund, **www.mcaws.gov.bc.ca/fcfund**.
- First Business, **www.firstbusiness.ca**, 1-800-551-2276, 604-775-6299.
- "Aboriginal Entrepreneur," Business Development Bank of Canada. **www.bdc.ca** or 1- 877-BDC-BANX (232-2269).
- Aboriginal Business Canada, **http://abc-eac.ic.gc.ca**. Phone 604-666-3871 in BC.

For Ethnocultural Entrepreneurs

- Société de développement économique de la Colombie-Britannique, **www.sdecb.com**. Phone 1-877-732-3534 (604-732-3534 in Vancouver).
- Chinese Women Entrepreneurs Association. 905 – 1788 West Broadway, Vancouver BC V6J 1V1. Phone 604-222-9789.
- United Chinese Community Enrichment Services Society (SUCCESS), Business Development Centre, **www.success.bc.ca** (see "Info Centre"), phone 604-732-3278.
- Ethno Business Council of British Columbia, **www.ethno.org**. Phone 604-687-6631. 1361 Robson Street, Vancouver BC, V6E 1C6.

For Young Entrepreneurs

- Young Entrepreneurs Association BC (YEABC), **www.yea.ca**, 1-888-639-3222.
- "Young Entrepreneurs," Business Development Bank of Canada. **www.bdc.ca**. Phone: 1 877 BDC-BANX (232-2269).
- Canadian Youth Business Foundation, **www.cybf.ca**.

For Entrepreneurs with a Disability

- Ministry of Human Resources (MHR) Employment Program for Persons with Disabilities, **www.mhr.gov.bc.ca** (see "Information for Persons with Disabilities"). Call Enquiry BC at 1-800-663-7867 (387-6121 in Victoria, 604-660-2421 in Vancouver) for your nearest MHR office.
- Opportunities Fund For Persons With Disabilities, **www.hrsdc.gc.ca**. Phone 1-800-206-7218.
- Entrepreneurs with Disabilities Network, **www.communityfutures.ca**
- Canada Revenue Agency's Guide for Canadian Small Businesses, Publication # RC4070 (E) Rev. 01, is available in Braille or large print, or on audio cassette or computer diskette. Phone 1-800-267-1267.

GROWING YOUR BUSINESS: *RECAP*

1. Define your growth: know what you want for yourself, and where you want to go.

2. Prepare for growth: create and surround yourself with both personal and professional support. Promote yourself into a higher position.

3. Create your growth: get rid of "excess baggage" and focus on what counts. Create deliberate and intentional paths to growth.

4. Manage your growth: increase your confidence by planning ahead for the peaks and valleys that accompany growth: people, skills, equipment, and money.

5. Set boundaries for growth: stay focused on your priorities...you can't be all things to all people all of the time.

General Resources

- "Big Ideas for Growing Your Small Business" 2nd Edition, by: Frances McGuckin, Eastleigh Publications
- "Smart Women: Canadian Entrepreneurs who make money" by: Barbara Thrasher and Madelon Smid, featuring over 100 Canadian women entrepreneurs, 2000
- "Good to Great" by: Jim Collins
- "Profitable Growth Is Everyone's Business : 10 Tools You Can Use Monday Morning" (Hardcover) by: Ram Charan
- "Smart Strategies for Growing Your Business" by: Terri Lonier, 1999

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